

ST refund payments through refund bonds, CDC urges businessmen to open accounts

KARACHI: Central Depository Company of Pakistan Limited (CDC) has urged businessmen who have opted for Sales Tax Refund payments through refund bonds to urgently open up sub account or investor account with Central Depository Company of Pakistan Limited (CDC) in order to get sales tax refund payments through Refund Bonds. Out of total 600 sales tax refunds claimants, Around 200 businessmen have so far opened their CDC account which is approximately 33 percent only.

The government has planned to clear approximately 40 to 60 billion rupees worth of refund claims through this scheme and it has finalized around 600 refund claimants who can Sales Tax Refund payments through Refund Bonds. CDC has already facilitated 90 businesses, who had opened their CDC Accounts, in getting Rs7 billion sales tax refund payments through Refund Bonds. This initiative was taken subsequent to the approval of amendments in Supplementary (Second Amendment) Act, 2019 by the Federal Government.

In this regard, the Federal Board of Revenue (FBR) has also asked the refund claimants to open Sub Account or Investor Account with Central Depository Company of Pakistan Limited (CDC) and has issued procedures for opening of such accounts.

The issuance of these Refund Bonds in book entry form through Central Depository System (CDS) will also help create ease of doing business for claimants as the Refund Bonds will be issued electronically in the system and there will be no paper or certificate issued. The claimants may just log in to the CDC web system and confirm that their Refund Bonds have been credited. In addition to this, the financing against Refund Bonds by Banks will also be very simple and efficient as Banks are already using CDC system and providing financing against different type of securities worth millions of rupees on daily basis. All the claimants need to do is to go to the Bank and mention their CDC account number and the Bank will retrieve all the information on real time basis from CDC system through CDC Pledge functionality and create a charge against these Refund Bonds with a simple click of the button.

While commenting on this effort, Badiuddin Akber, CEO-CDC said that “CDC has always been ready to play its part in the progress and development of the country’s economy. We are more than willing to introduce convenience in doing business through digitalization to make our economy more business friendly and this initiative is one more step towards it.”

In order to facilitate claimants, CDC extended full support and established facilitation desks at RTO Faisalabad and Multan in addition to the services extended from its offices in Karachi, Lahore and Islamabad. In this regard, a workshop was also organized for the Towel Manufacturers Association of Pakistan at TMA House, Karachi on June 01, 2019. CDC is also planning to establish a special facilitation Desk for the convenience of businesses at their Head office in Karachi. Claimants who have not yet opened their CDC accounts can visit CDC website at www.cdcpakistan.com or call at 0800-23275 for guidance. The account opening forms are also available on CDC’s website.—PR